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The Parochial Church Council of the Ecclesiastical
Parish of St Matthew with St Sidwell, Exeter

Registered Charity Number 1169445

Annual Report and
Financial Statements
For the year ended 31st December 2021

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF
ST MATTHEW WITH ST SIDWELL, EXETER

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Aim and Purpose

The Parochial Church Council of the Ecclesiastical Parish of St Matthew with St Sidwell Exeter has the responsibility to co-operate with the incumbent to promote, within the ecclesiastical parish, the whole mission of the Church, pastoral, evangelistic, social and ecumenical.

The PCC confirms that they have given due regard to the Charity Commission's guidance on public benefit when reviewing the charity's aims and objectives, and in planning future activities.

Objectives and Activities

We believe this involves:

- Inviting those outside the church to encounter Jesus and explore faith;
- Creating community and developing a deep experience of belonging;
- Equipping our members to live effective Christian lives in every sphere of society; and
- Sending out our members to transform society and proclaim hope.

To fulfil this vision, our aims are:

- To build a worshipping, praying and spirit filled community;
- To strengthen community and deepen relationships throughout the church and community;
- To equip every member to live a distinctively Christian life which brings God's Kingdom into homes, schools, universities and workplaces;
- To evangelise and spread the gospel;
- To engage children and young people in the Christian faith; and
- To offer pastoral care and support to those living in Newtown and beyond.

Despite the limitations upon our activities in the early part of the year as a result of the Covid-19 pandemic, 2021 has been a period of sustained growth and development for St Matt's. From January to Easter, many of our regular groups and services were limited by national restrictions. However, from April 2021, many of these activities could resume safely in person.

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Across the wide variety of our ministries, almost all have seen a return to pre-pandemic attendance or greater. This seems to be partially attributable to our online services offered in 2020. In the latter part of the year, our focus has been upon consolidating our growth, strengthening our community and building robust structures to enable our ambitious future plans.

In the longer term, we intend to continue to strategically plan for St Matt's, supported by Strategic Development Funding (SDF) from the Church of England. St Matt's has received external funding to implement church growth as a resource church and many of these aims and objectives will define the activities that St Matt's undertakes over the next 5 years. We intend to build a thriving and sustainable church which contributes to the Diocesan vision to grow in prayer, make new disciples and serve the people of Devon with joy.

Achievements and performance

Worship and Prayer

In response to the restrictions imposed by national Covid lockdowns, St Matt's has varied the number and format of services offered this year. There have been up to 4 weekly services including:

- A service tailored to the needs of children and their families at 9am;
- A midweek traditional Eucharist; and
- 2 contemporary and accessible Sunday services at 10am and 6pm.

Collectively they attract up to 275 worshippers each week. Services are supported by a variety of volunteer teams including cafe, hosting, worship and production and overseen by employed members of staff. These teams offer opportunities to serve the wider work of the church and encourage hands-on engagement in our worship and mission.

Prayer and worship provide an important foundation for the wider activities of the church. A weekly early morning prayer meeting is held every Thursday at 8am which is complemented by a half-termly 'Kingdom Come' worship and prayer event to pray for the needs of the church and city. St Matt's has a growing worship team, resourced by approximately 35 volunteers who lead worship at our services and events like Kingdom Come and Alpha.

Creating and Strengthening Community

St Matt's seeks to strengthen community through the establishment of midweek Connect Groups. At present there are 9 groups meeting fortnightly across Exeter and beyond. These groups are led by trained volunteers who organise, teach and pastor their attendees. We are

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continuing to train and develop small group leaders to increase the number of available groups, locations and times in the hope that every regular member of St Matt's might find a group that suits them.

Connect Groups provide the environment for deep, long-lasting relationships and support for pastoral needs. They create opportunities for spiritual growth and seek to find ways they can impact their local communities.

Equipping the Church

St Matt's seeks to be a church that equips every member to influence the sphere of society in which they find themselves. We encourage and pray for those working in business, healthcare, education, the home and the charitable and care sectors. Our vision is to bring Christians together around shared vocations and passions (for example: Creative Industries, Business or Education); in these mid-sized communities (called Collectives), individuals will work out ways to share skills and experiences, innovate in their fields and find ways to exercise their gifts. In the past 12 months, 2 new Collectives have been established in addition to those already launched and we hope to begin many more in the years ahead.

Our intention is to deploy these equipped Christians into a variety of areas, supported by the church to reduce poverty and isolation and transform society in Exeter. Our previous work in Exeter Prison continues to be suspended due to Covid-19 regulations but we hope to re-establish a volunteer team leading monthly services in the prison chapel.

We also seek to invest in leaders and future leaders of the Church of England. St Matt's is responsible for the training and development of Revd. Vanessa Pestrige who will serve her Curacy in the parish until 2024. She is involved in a number of areas including leading volunteer teams, training small group leaders, midweek services and pastoral visiting. Over the next 5 years, we will look to identify potential candidates for ministry within the Church of England and support their training and development.

Evangelism

St Matt's intends to be a church which attracts and engages those outside the church. We are committed to running the Alpha course from Holy Trinity Brompton as an accessible and replicable model of evangelism. Each term, we promote the upcoming course and encourage our members to invite family, friends and colleagues to try Alpha and explore the big questions of life, faith and meaning. From September 2021, courses have been offered in person attracting a peak attendance of 52 guests.

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Children and Young People

We are committed to being an intentionally multigenerational church. St Matt's designation as a Diocesan Resource Church places special emphasis upon engaging children, families and university students. Our recently launched student group attracts over 60 people and these students are heavily involved in the volunteer teams of the church.

A crucial area of engagement with children and young people is at our Sunday services. Following the easing of Covid-19 restrictions, from Easter 2021 we were able to resume in person Kid's Sunday groups. These groups regularly attract over 30 children and their parents and are led and facilitated by a volunteer team in the church hall. In addition there are Sunday groups for 11-14 year olds and midweek groups for young people aged 15-18.

To support families of younger children, we offer POLO, (Parents of Little Ones) a mid-week group for parents and toddlers with a particular emphasis on supporting parents in the early stages of their children's lives. This has been a great group to invite local families to who might otherwise not attend church as it has a wider appeal to those who value the support of other parents with young children. POLO has seen significant growth in 2021 and now regularly attracts 80 children and their parents.

Other Activities (inc. Ecumenical Relationships)

As a Resource Church, St Matt's is committed to fruitful partnerships with other churches and faith-based organisations. This is partially achieved by the involvement of clergy and lay-leaders in ecumenical groups, and we are also members of Churches Together in Exeter. St Matt's has been able to support the work of other churches by creating and making available digital resources for other churches to use. We continue to offer consultancy and training to local organisations and churches seeking to enhance their online presence.

Additionally a number of other faith based and community organisations make use of our premises. This has included hosting regional strategic events on behalf of the Diocese of Exeter, local school performances and charity fundraisers.

Deanery Synod

Two members of the PCC sit on the Christianity Deanery Synod. This provides the PCC with a link to the churches around us and also with the Diocese as a whole. It also receives reports from the Diocesan and General Synod. Among the items discussed were:

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Three brief presentations on the Next Steps document:

- Growth Values, how the culture of a church is expressed in behaviour, attitudes and relationships of the people that make it.
- Mixed Ecology of Church and building up the Parish.
- Healthy Mission Community Audit – it was noted that although some elements would be common to all Mission Communities, for example, having vision and strategy as well as the resources of people, money and buildings to deliver them, there would be differences in each particular place.

Election result of four members of the House of Laity to represent the Diocese in General Synod including Georgia Willis from St Matt's Exeter.

The meeting held on 26th March 2022 included an update on the situation regarding arrangements for refugee sponsorship for those coming to the UK from Ukraine. Further information on support and prayer for Ukraine is available on the Diocesan website.

Church Fabric

In 2021, St Matt's sought a faculty to carry out phase 2 of a major renovation. This was granted in October 2021 and work began in December to be finished in early 2022. This phase will include step free access between the stage (chancel) and ground floor of the church. It will also comprise an improved and level stage and a store room underneath the Organ.

The drainage works required to maintain the North Side of St Matt's are now complete. As anticipated, this project has expended a significant proportion of the PCC's reserves. We plan to maintain reserves equal to three months' expenditure.

Financial Review

The total unrestricted income for the year was £152,852 (2020: £147,496) of which £118,380 (2020: £108,487) was donations. The £159,327 (2020: £143,079) of restricted income includes £150,357 (2020: £108,664) of SDF income. £286,129 (2020: £396,008) was spent to provide Christian ministry at St Matt's and St Sidwell's Churches, including the contribution to the Diocesan Common Fund which largely provides stipends and housing for the clergy. This is the amount that the churches in the diocese are asked to contribute to cover these costs. It is calculated by a formula based mainly on the head count of the congregation. The amount also includes £9,249 (2020: £53,659) spent on major improvements to the church building, the majority of which were funded by SDF income.

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The net result for the year was a surplus of £26,050 (2020: deficit of £106,908) before gains on investments. After adjusting for gains on investments, the net income for the year was £34,572 (2020: net expenditure £99,692).

The PCC receives rental income from renting the church hall and hall car park.

The PCC has designated approximately 10% of the year's generated income and investment dividends to charities of their choice. This designated fund is called "Charitable Giving" in the accounts. The PCC have agreed that the amount designated to be spent in 2022 is £6,000.

Reserves Policy

The Finance Team has built on the established budget monitoring process to develop more detailed reporting and analysis to support the decision making of the PCC as it leads the church through a period of growth and recovery from the impact of Covid-19. The PCC aims to hold free reserves broadly equivalent to 3 months' expenditure (£81,000) for the following reasons:

1. To manage cash flow and contractual obligations;
2. In case of significant building maintenance being required; and
3. Against loss of income whilst buildings are not available for rental.

The PCC has set a budget for 2022 with a deficit of £7,232. This deficit is in part due to the projected reduced income from venue hire in the early part of the year as an ongoing result of Covid-19 and also the desire to continue with planned activity and meet the hospitality needs associated with growth. The PCC was willing to approve a deficit budget as expenditure will be reviewed throughout the year against projected and actual income and spending can be reduced if deemed necessary.

The total net assets as at the year end were £1,234,639, and of these, £155,531 are restricted reserves. Of the remaining £1,079,108 unrestricted general funds, £603,045 is held as tangible fixed assets, and £330,000 in investment property. The remaining free reserves held by the PCC are £146,063.

This is in excess of the reserves policy by £65,063. We are continuing to hold reserves in excess of the policy as we work towards establishing financial sustainability at the end of the external SDF funding period.

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Risk Management

The policies with Ecclesiastical Insurance Group provide adequate insurance cover for all the activities in which the PCC is involved, including employers' and public liability.

We have in place, a resilient safeguarding procedure for the recruitment of staff and new volunteers particularly for Kids and Youth team.

The PCC holds a Risk Register that is reviewed on a regular basis by the senior staff team and is presented to the PCC each year.

Coronavirus Impact

We are primarily dependent on giving from the congregation to fund our activities and also receive a proportion of our income from venue hire. At the time of preparation of the 2021 Accounts (March 2022) we are still assessing the on-going impact of the coronavirus pandemic.

Whilst we've seen a change in the nature of our giving, the anticipated reduction in giving due to Covid-19 did not materialise; we have had reduced income from venue hire as community groups and classes have been prevented from taking place. This is continuing into 2022.

Our investments have performed well and haven't dropped in value. There were some savings on expenditure on church activity as we were not able to meet in person. We were granted funds through the Government's Job Retention Scheme for a staff member that was on furlough which led to modest savings on our salary line.

Income and expenditure is being actively monitored by the Finance Team. We currently have reserves that would be able to support activity should the need arise toward the end of 2022. The PCC will continue to monitor the situation.

Structure, Governance and Management

The method of appointment of PCC members is set out in the Church Representation Rules 2020. The Council comprises the Incumbent, the Associate Vicar, the Church Wardens, those elected to the Deanery Synod, and other members who are elected at the Annual Parochial Church meeting, by those on the Electoral Roll. Members of the congregation are always encouraged to join the Electoral Roll and to consider standing for election to the PCC.

The PCC supports the incumbent in promoting the ministry and mission of the Church. The powers conferred on the Council by the Parochial Church Councils (Powers) Measure 1956 include the power to acquire, manage, and administer property for Ecclesiastical purposes, and the power to frame an annual budget of monies required for Church work.

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The Council is also given power, jointly with the incumbent, to appoint and dismiss Church staff members and to determine the salaries and conditions of service of these officers.

The PCC meets at least five times a year. During these meetings, reports from various ministry areas are reviewed. Our Annual Parochial Church Meeting was held on 17th May 2021.

The Standing Committee consists of the Incumbent, the Associate Vicar, Churchwardens, the PCC Secretary, the Treasurer and two other PCC members. This is the only committee required by law and has the power to transact business of the PCC between its meetings, subject to any direction of the Council.

A Finance Team has been established to work towards the PCC being self-sustainable at the end of the SDF income.

We are also developing a wider pool of volunteers and raising up volunteer team leads who support the Incumbent and staff team to deliver on Sundays and activities throughout the week that seek to meet our aims and objectives.

The staff team comprises an Operations Director, Worship Pastor, Kids & Families Pastor, Youth Pastor, Operations & Leadership Administrator and Cleaner. In 2021, we recruited a temporary Production Co-ordinator role, funded by the Allchurches Trust. This temporary contract has now come to an end. The first four of the above roles are funded by the SDF income for the first five years of the Resource Church. Each staff member will have an annual Personal Development Review which will set out personal aims and objectives for the following year and identify which strategic priorities they are responsible for.

We also have a volunteer Parish & Teams Administrator in post who supports the staff team by completing various administrative tasks. We have recently recruited a Facilities Co-ordinator who will help oversee the maintenance and cleaning of the buildings.

Every staff team member meets regularly with their line manager and the staff members responsible for the various volunteer teams meet regularly with those team leads. We are committed to ongoing training and development for both staff and volunteers.

Safeguarding

Georgina Hutson is our Parish Safeguarding Representative. She is supported by Andrea Pethick and Janet Spencer.

The PCC has complied with its duty under section 5 of the Safeguarding and Clergy Discipline Measure 2016 (duty to have regard to House of Bishops' guidance on safeguarding children

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and vulnerable adults) which has been incorporated into the Church Safeguarding Policy and embedded through our safeguarding practices.

The PCC has adopted the Diocesan Dashboard for monitoring compliance with safeguarding best practice.

Reference and administrative Information

The Parochial Church Council of the Ecclesiastical Parish of St Matthew with St Sidwell, Exeter has pleasure in presenting their report and the financial statements of the charity for the year ended 31 December 2021.

Church Addresses

St Matthew's Parish Church, Lower Summerlands, Exeter EX1 2LJ

St Matthew's Church Office, St Matthew's Church Hall, Clifton Road, Exeter EX1 2BS

Charity Registration Number: 1169445

Tel: 01392 248322 Email: hello@stmattsexeter.org Web: www.stmattsexeter.org

St Sidwell's Chapel, Sidwell Street, Exeter, EX4 6NN

Membership of the Parochial Church Council (PCC)

PCC members who have served from 1 January 2021 until the date this report was approved were:

Ex Officio members

Clergy

Rev Ed Hodges (Chair)

Incumbent

Rev Matt Clayton

Associate Vicar

Rev Vanessa Pestrige

Curate

Church Wardens

Mark Hobson

Heidi Williams

Elected Members

Lorraine Hayes

Electoral Roll Officer and Deanery Synod Representative

Kate Jackson

Alec Kemp

Deanery Synod Representative

John Kow

Harry Mutton

Zac Spencer

(resigned May 2021)

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Kim Wilding

Neil Williams

Adam Westaway (from May 2021)

Georgina Hutson (from May 2021)

Treasurer

Safeguarding Officer

Co-opted Members

Mike Cleveland

Retired Clergy (with PTO)

Key management personnel include all members of the PCC as well as the Operations Director (Sophie Giles), the Kids & Families Pastor (Jessica Hodges) and the Worship Pastor (Josh Chesworth).

Investment Managers

CCLA Senator House, 85 Queen Victoria Street, LONDON EC4V 4ET

Bankers

Lloyds Bank, 234 High Street, EXETER EX4 3NL

Independent Examiner

Matthew Melksham FCCA,

Bush & Co Chartered Accountants,

2 Barnfield Crescent, Exeter, Devon, EX1 1QT

This report was approved by the PCC on 25 April 2022 and signed on their behalf by:



Rev Ed Hodges

PCC Chair

On behalf of the Parochial Church Council

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Independent Examiner's Report
Year Ending 31 December 2021

I report to the PCC on my examination of the accounts of The Ecclesiastical Parish of St Matthew with St Sidwell (the church) for the year ended 31 December 2021, which are set out on pages 12 to 27.

Responsibilities and basis of report

As the church's Trustees you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011('the Act').

I report in respect of my examination of the Trustee's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the gross income for the year exceeds the amount provided in section 145(3) of the Act, I confirm that I am qualified to act as Independent Examiner under the provisions of that section of the Act and that my qualification is as shown below.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- (1) accounting records were not kept in respect of the charity as required by section 130 of the Act; or
- (2) the accounts do not accord with those records; or
- (3) the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Matthew Melksham FCCA
Bush & Co Limited
Chartered Accountants
2 Barnfield Crescent
Exeter
Dated: 27 April 2022

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STATEMENT OF FINANCIAL ACTIVITIES
Year Ending 31 December 2021

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Unrestricted funds £	Restricted Funds £	Total 2020 £
INCOME FROM							
Donations and legacies	2a)	118,380	159,327	277,707	108,487	143,079	251,566
Charitable activities	2b)	1,238	-	1,238	3,223	-	3,223
Other trading activities	2c)	11,458	-	11,458	11,798	-	11,798
Investments	2d)	21,776	-	21,776	23,988	-	23,988
TOTAL INCOME		<u>152,852</u>	<u>159,327</u>	<u>312,179</u>	<u>147,496</u>	<u>143,079</u>	<u>290,575</u>
EXPENDITURE ON							
Charitable activities	3a)	161,516	124,613	286,129	226,637	169,371	396,008
Raising funds	3b)	-	-	-	1,475	-	1,475
TOTAL EXPENDITURE		<u>161,516</u>	<u>124,613</u>	<u>286,129</u>	<u>228,112</u>	<u>169,371</u>	<u>397,483</u>
Net income/(expenditure) before investment gains/(losses)	9	(8,664)	34,714	26,050	(80,616)	(26,292)	(106,908)
Net gains/(losses) on investments		8,522	-	8,522	7,216	-	7,216
NET INCOME/(EXPENDITURE)		<u>(142)</u>	<u>34,714</u>	<u>34,572</u>	<u>(73,400)</u>	<u>(26,292)</u>	<u>(99,692)</u>
Transfers	13	(232)	232	-	17,533	(17,533)	-
Reserves brought forward		1,079,482	120,585	1,200,067	1,135,349	164,410	1,299,759
Reserves carried forward	14	<u>1,079,108</u>	<u>155,531</u>	<u>1,234,639</u>	<u>1,079,482</u>	<u>120,585</u>	<u>1,200,067</u>

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BALANCE SHEET
As at 31 December 2021

	Notes	£	2021 £	£	2020 £
FIXED ASSETS					
Tangible fixed assets	7		603,045		620,912
Investment property	8		330,000		330,000
Investments	9		62,614		88,239
			<u>995,659</u>		<u>1,039,151</u>
CURRENT ASSETS					
Stock		1,773		1,773	
Debtors and prepayments	10	103,989		121,308	
Cash at bank and in hand		159,613		97,314	
		<u>265,375</u>		<u>220,395</u>	
LIABILITIES					
Creditors – amounts falling due within one year	11	26,395		59,479	
		<u>26,395</u>		<u>59,479</u>	
Net current assets			238,980		160,916
Total assets less current liabilities			<u>1,234,639</u>		<u>1,200,067</u>
NET ASSETS			<u>1,234,639</u>		<u>1,200,067</u>
PARISH FUNDS					
Unrestricted reserves					
General			1,079,108		1,073,482
Designated			-		6,000
	13		<u>1,079,108</u>		<u>1,079,482</u>
Restricted reserves	13		155,531		120,585
			<u>1,234,639</u>		<u>1,200,067</u>

These financial statements were approved by the PCC on
on its behalf by:

2022 and were signed



Rev Ed Hodges
PCC Chair

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STATEMENT OF CASHFLOWS
Year Ending 31 December 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
<i>Net cash provided by/(used in) operating activities</i>	1	28,152	(69,117)
Cash flows from investing activities			
Dividends, interest and rents		-	-
Proceeds from the sale of investments		34,147	41,516
Purchase of tangible fixed assets		-	(17,533)
Purchase of investments		-	-
<i>Net cash provided by/(used in) investing activities</i>		<u>34,147</u>	<u>23,983</u>
<i>Change in cash and cash equivalents in the reporting period</i>		62,299	(45,134)
Cash and cash equivalents at the beginning of the reporting period		<u>97,314</u>	<u>142,448</u>
<i>Total cash and cash equivalents at the year end</i>	2	<u><u>159,613</u></u>	<u><u>97,314</u></u>

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NOTES TO THE STATEMENT OF CASHFLOWS
Year Ending 31 December 2021

	2021 £	2020 £
1 Reconciliation of net income/(expenditure) to net cash flows from operating activities		
<i>Net income for the reporting period (as per the Statement of Financial Activities)</i>	34,572	(99,692)
Adjustments for:		
Depreciation	17,867	17,486
Dividends, interest and rents	-	-
Gain on investments	(8,522)	(7,216)
(Increase)/decrease in stocks	-	(1,773)
(Increase)/decrease in debtors	17,319	(14,871)
Increase/(decrease) in creditors	(33,084)	36,949
<i>Net cash provided by/(used in) operating activities</i>	<u>28,152</u>	<u>(69,117)</u>
2 Analysis of cash and cash equivalents		
Cash at bank and in hand	148,950	86,651
Notice deposits (less than 3 months)	10,663	10,663
	<u>159,613</u>	<u>97,314</u>

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NOTES TO THE FINANCIAL STATEMENTS
Year Ending 31 December 2021

1. Accounting policies

Basis of preparation

The financial statements have been prepared under the Charities Act 2011 and in accordance with Church Accounting Regulations 2006 together with the Charities Statement of Recommended Practice (Charities SORP (FRS 102)) and Financial Reporting Standard 102 (FRS 102).

The financial statements have been prepared under the historic cost convention except for the valuation of investment assets, which are shown at fair value.

The PCC meets the definition of a public benefit entity under FRS 102. The financial statements are prepared in sterling, which is the functional currency of the PCC.

Going concern

The financial statements have been prepared on the going concern basis. There are no material uncertainties related to events or conditions that may cast significant doubts upon the PCC's ability to continue as a going concern.

Funds

General funds represent the funds of the PCC that are not subject to any restrictions regarding their use and are available for application on the general purposes of the PCC. Funds designated for a particular purpose by the PCC are also not restricted.

Restricted funds are income funds that must be spent on restricted purposes and details of the funds held and restrictions provided are shown in the notes to the accounts.

The financial statements include all transactions, assets and liabilities for which the PCC is responsible in law. They do not include the accounts of the church groups that owe their main affiliation to another body nor those that are informal gatherings of church members.

Income

Donations and legacies

Planned giving, collections and general donations are recognised only when received.

Gift aid recoverable on donations is recognised when the donation is received.

Grants and legacies to the PCC are recognised as soon as the PCC is notified of its legal entitlement, the amount due is quantifiable and its ultimate receipt by the PCC is probable.

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1. Accounting policies (continued)

Charitable activities

Income from church fee income is recognised when the fee is due.

Income from activities is accounted for gross.

Other trading activities

Rental income is recognised when the rent is due. Where income is received in advance, it is recognised in the year in which the event takes place that it relates to.

Investments

Interest entitlements are accounted for as they accrue.

Dividends are accounted for when due and payable.

Expenditure

Raising funds

Expenditure on raising funds is accounted for on the accruals basis. Raising funds includes the costs of the investment property.

Charitable activities

Expenditure on charitable activities is accounted for on the accruals basis. The diocesan common fund is accounted for when payable. Any unpaid amount at 31 December is provided for in these accounts as an operational (although not legal) liability and is shown as a creditor in the Balance Sheet.

Grants are accounted for when paid over, or when awarded, if that award creates a binding obligation on the PCC.

Tangible fixed assets

Consecrated land and buildings and moveable church furnishings

Consecrated and beneficed property is excluded from the accounts by s10(2)(a) of the Charities Act 2011.

No value is placed on moveable church furnishings held by the churchwardens on special trust for the PCC and which require a faculty for disposal since the PCC considers this to be inalienable property. All expenditure incurred during the year on consecrated or beneficed buildings and moveable church furnishings, whether maintenance or improvement, is written off as expenditure in the SOFA and separately disclosed.

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1. Accounting policies (continued)

Freehold property

Freehold property is valued at purchase price. In the opinion of the PCC members, depreciation of freehold properties would be immaterial and has not been charged. The members carry out an annual impairment review, and in their opinion no provision is necessary in respect of the value at which freehold properties are included in the financial statements.

Other fixed assets

Other fixed assets are recognised at cost. Individual assets with a purchase price less than £1,000 are written off when the asset is acquired.

Depreciation has been provided on other fixed assets on a straight line basis in order to write off the cost of the assets over the following estimated useful lives:

Fixtures and fittings – 10 years

Computers and equipment – 5 years

Investment properties

Investment properties are included in the balance sheet at their open market value in accordance with FRS 102 and are not depreciated.

Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The SOFA includes net gains and losses arising on revaluations and disposals throughout the year.

Debtors

Amounts owing to the PCC at 31 December in respect of fees, rents or other income are shown as debtors less provision for any amounts that may prove uncollectable. These are recognised initially at the settlement amount. Prepayments are valued at the amount prepaid, net of any trade discounts due.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term liquid investments with original maturities of three months or less.

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1. Accounting policies (continued)

Creditors

Creditors are recognised when the PCC has an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors are recognised at the amount that the PCC anticipates it will pay to settle the debt or the amount it has received as advanced payment for the goods or services it must provide.

Financial instruments

The church only has financial assets and liabilities of a kind that qualify as basic financial instruments. All (including debtors and creditors) are initially recognised at transaction value and subsequently measured at their settlement value.

2 Income from:

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
2a) Donations and legacies				
Planned giving	78,439	-	78,439	83,700
Gift aid recoverable	18,977	39	19,016	15,473
Collections	1,113	28	1,141	1,666
General donations and appeals	19,613	1,235	20,848	9,015
SDF grants	-	150,357	150,357	108,664
Coronavirus Job Retention Scheme	238	-	238	1,402
Other grants	-	7,668	7,668	31,646
	<u>118,380</u>	<u>159,327</u>	<u>277,707</u>	<u>251,566</u>
2b) Charitable activities				
Weddings and funerals	300	-	300	276
Student weekend away	938	-	938	2,947
Film hub contributions	-	-	-	-
	<u>1,238</u>	<u>-</u>	<u>1,238</u>	<u>3,223</u>
2c) Other trading activities				
St Sidwell Hall rental	216	-	216	3,010
St Matthew's Church Hall rental	9,455	-	9,455	7,207
St Matthew's parking	1,787	-	1,787	1,581
	<u>11,458</u>	<u>-</u>	<u>11,458</u>	<u>11,798</u>

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2d) Investments

Dividends and interest	1,776	-	1,776	2,513
Crown House rental	20,000	-	20,000	21,475
	<u>21,776</u>	<u>-</u>	<u>21,776</u>	<u>23,988</u>
Total income	<u>152,852</u>	<u>159,327</u>	<u>312,179</u>	<u>290,575</u>

3 Expenditure on:

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
3a) Charitable activities				
Missionary and charitable giving (Note 6)	6,437	-	6,437	11,339
LYN food bank (Note 13)	-	2,424	2,424	18,540
Diocesan common fund	48,888	-	48,888	46,121
Ministry costs	4,177	-	4,177	935
Cost of services	9,753	-	9,753	3,190
Worship & production costs	5,077	-	5,077	5,526
Youth, students & children's work	7,625	-	7,625	5,987
Staff costs (Note 4)	10,675	112,940	123,615	104,581
Maintenance and repairs	15,597	-	15,597	104,548
Major improvements	3,969	9,249	13,218	53,659
Church running costs	13,623	-	13,623	9,991
Church hall running costs	2,049	-	2,049	1,473
Administrative costs	13,904	-	13,904	8,496
Depreciation	17,867	-	17,867	17,486
<i>Support and governance costs</i>				
Legal and professional fees	-	-	-	2,235
Independent examiner's fee	1,875	-	1,875	1,901
	<u>161,516</u>	<u>124,613</u>	<u>286,129</u>	<u>396,008</u>

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3 Expenditure on (continued):

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
3b) Raising funds				
Crown house costs	-	-	-	1,475
Total expenditure	<u>161,516</u>	<u>124,613</u>	<u>286,129</u>	<u>397,483</u>

4 Staff costs

	2021 £	2020 £
Wages and salaries	116,045	98,522
Social security costs	5,266	4,183
Employer's pension contributions	2,304	1,876
	<u>123,615</u>	<u>104,581</u>
Average number of employees	7	6
Average number of full-time equivalent employees	3.6	3.6

During the year the PCC did not employ anyone who earned £60,000 per annum or more (2020: none).

Total employee benefits (including pension and employer's national insurance contributions) to key management personnel was £92,006 (2020: £90,264).

5 Related party transactions

Jess Hodges is married to Ed Hodges, who is the incumbent and chair of the PCC. Jess Hodges is employed as the kids and families pastor and received gross salary of £19,328 (2020: £18,500) and employer's pension contributions of £393 (2020: £251).

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During the year to 31 December 2021, the charity received £46,374 (2020: £45,802) in donations from the PCC members, key management personnel and persons closely connected to them. The donors did not attach any conditions to their gifts which required the charity to significantly alter the nature of its existing activities.

No other transactions were undertaken with any other PCC member, persons closely connected to them or related parties.

6 Missionary and charitable giving

	2021	2020
	£	£
Bible Society	-	50
Bishop's discretionary fund	-	70
Buburi Clinic	-	100
Christians Against Poverty (Exeter)	577	900
Church Mission Society	-	100
CTaX	35	-
Exeter City Centre Chaplaincy	-	25
Foodbank	577	1,300
Hospice care	-	50
ICE Charitable Trust	577	900
Lifelines Exeter	25	-
Newtown Community Association	300	-
Peninsula Initiative - SW Community Chaplaincy	577	980
Open Doors	500	-
RD&E Neonatal ICU	-	268
Release International	-	200
Send a Cow	-	100
Southernhay Church	300	-
South West Carols	-	100
St Basils Church	-	1,000
St Sidwell's Centre	578	1,900
St Sidwell's School leaver's Bibles	325	297
Street Pastors	577	800
Tearfund	500	1,040
YMCA	577	900
Discretionary gifts (5 gifts)	412	259
	<u>6,437</u>	<u>11,339</u>

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7 Tangible fixed assets

	Land and buildings	Fixtures and fittings	Computers and equipment	Total
	£	£	£	£
Cost				
Brought forward	514,066	78,043	50,316	642,425
Additions	-	-	-	-
Carried forward	<u>514,066</u>	<u>78,043</u>	<u>50,316</u>	<u>642,425</u>
Depreciation				
Brought forward	-	9,470	12,043	21,513
Charge for year	-	7,804	10,063	17,867
Carried forward	-	<u>17,274</u>	<u>22,106</u>	<u>39,380</u>
Net book value				
Carried forward	<u>514,066</u>	<u>60,769</u>	<u>28,210</u>	<u>603,045</u>
Brought forward	<u>514,066</u>	<u>68,573</u>	<u>38,273</u>	<u>620,912</u>

Land and buildings only contains the St Matthew's Church Hall deemed cost.

8 Investment property

	£
Brought forward and carried forward	<u>330,000</u>

The only investment property held by the PCC is Crown House. The PCC have valued the property based on the fact that market rent is being charged at a rate of £20,000 per annum. A 10 year lease was entered into in 2019 with the current tenant, so the PCC believe the value is unlikely to have changed materially given vacant possession would not be possible on a sale.

9 Investments

	£
Market value brought forward	88,239
Disposal proceeds	(34,147)
Net gains on revaluation	8,522
Market value carried forward	<u>62,614</u>

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10 Debtors and prepayments

	2021	2020
	£	£
Tax recoverable	6,353	1,679
Prepayments	2,979	4,686
Other debtors	6,403	100
SDF income	88,254	114,843
	<u>103,989</u>	<u>121,308</u>

11 Creditors and accruals

	2021	2020
	£	£
Trade creditors	6,520	11,911
Accruals	2,372	38,194
Deferred income	11,414	5,416
Other creditors	6,089	3,958
	<u>26,395</u>	<u>59,479</u>

12 Contingent assets

During 2019, St Matt's was awarded a Strategic Development Funding (SDF) grant of £1,333,068 by the Archbishops' Council towards the cost of growing mission in the city of Exeter over 5.5 years. This grant was applied for by the Exeter Diocesan Board of Finance (EDBF), who was acting as an agent on behalf of St Matt's. The grant is claimed by filing expense claims in arrears, with all moneys going through the EDBF and being passed on to St Matt's. Each claim requires approval by administrators of the SDF to ensure it is in line with the original budget submitted. The Archbishops' Council reserves the right to terminate the award if it becomes substantially unlikely that St Matt's will be able to deliver its outcomes as set out in the original grant application. These performance related conditions prevent the full recognition of the grant. So far St Matt's have managed to meet the conditions, so there does not appear to be a reason why the SDF income will not be available for 2022. Income has therefore been accrued to cover pre-approved salary expenditure for 2022 and is shown as a debtor in Note 10. Of the total grant, £787,598 has been recognised, leaving £545,470 as a contingent asset.

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13 Movement in funds
2021

	Brought forward £	Income £	Expenditure £	Gains/ (losses) £	Transfers £	Carried forward £
Unrestricted reserves						
General	1,073,482	152,852	(155,491)	8,522	(257)	1,079,108
Charitable Giving	6,000	-	(6,025)	-	25	-
	<u>1,079,482</u>	<u>152,852</u>	<u>(161,516)</u>	<u>8,522</u>	<u>(232)</u>	<u>1,079,108</u>
Restricted reserves						
Charity collections	-	28	-	-	-	28
CRT (see below)	-	-	-	-	-	-
SDF (see below)	105,854	150,357	(122,054)	-	135	134,292
LYN (see below)	5,731	8,942	(2,559)	-	97	12,211
Extension	9,000	-	-	-	-	9,000
	<u>120,585</u>	<u>159,327</u>	<u>(124,613)</u>	<u>-</u>	<u>-</u>	<u>155,531</u>
	<u>1,200,067</u>	<u>312,179</u>	<u>(286,129)</u>	<u>8,522</u>	<u>-</u>	<u>1,234,639</u>

Unrestricted funds

Charitable Giving

This is made up of approximately 10% of the year's generated income and investment dividends. The PCC have agreed that the amount designated to be spent in 2021 is £6,000. It is to be paid to charities chosen by the PCC.

Restricted funds

Charity collections

This fund is where there have been collections for specific charities. The amounts would have been distributed shortly after their receipt.

Church Revitalisation Trust (CRT)

This fund contained a grant from the Church Revitalisation Trust to be used on building works as part of the Resource Church set up. During the year, no restricted income was received or spent on capital assets (2020: £17,533 was spent).

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13 Movement in funds (continued)
2021

Strategic Development Funding (SDF)

This fund contains the SDF income that has either been received or is receivable. The carried forward balance is largely made up of the salary costs for 2021 that is funded by SDF income as noted in Note 12.

Love Your Neighbour (LYN)

Love Your Neighbour is our social response to the Covid-19 crisis. A pop-up food bank was set up to help those in our local community.

2020

	Brought forward	Income	Expenditure	Gains/ (losses)	Transfers	Carried forward
	£	£	£	£	£	£
<i>Unrestricted reserves</i>						
General	1,124,537	147,496	(217,300)	7,216	11,533	1,073,482
Charitable Giving	10,812	-	(10,812)	-	6,000	6,000
	<u>1,135,349</u>	<u>147,496</u>	<u>(228,112)</u>	<u>7,216</u>	<u>17,533</u>	<u>1,079,482</u>
<i>Restricted reserves</i>						
Charity	-	273	(273)	-	-	-
collections						
CRT	50,844	-	(36,778)	-	(14,066)	-
SDF	113,566	108,664	(112,909)	-	(3,467)	105,854
LYN	-	25,142	(19,411)	-	-	5,731
Extension	-	9,000	-	-	-	9,000
	<u>164,410</u>	<u>143,079</u>	<u>(169,371)</u>	<u>-</u>	<u>(17,533)</u>	<u>120,585</u>
	<u>1,299,759</u>	<u>290,575</u>	<u>(397,483)</u>	<u>7,216</u>	<u>-</u>	<u>1,200,067</u>

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14 Analysis of Assets and liabilities between funds

2021	Unrestricted funds £	Restricted funds £	Total £
Fixed assets			
Tangible fixed assets	603,045	-	603,045
Investment property	330,000	-	330,000
Investments	62,614	-	62,614
Stock	1,773	-	1,773
Debtors and prepayments	15,735	88,254	103,989
Cash at bank and in hand	92,336	67,277	159,613
Current liabilities	(26,395)	-	(26,395)
Net assets	<u>1,079,108</u>	<u>155,531</u>	<u>1,234,639</u>
2020			
Tangible fixed assets	620,912	-	620,912
Investment property	330,000	-	330,000
Investments	88,239	-	88,239
Stock	1,773	-	1,773
Debtors and prepayments	6,465	114,843	121,308
Cash at bank and in hand	91,572	5,742	97,314
Current liabilities	(59,479)	-	(59,479)
Net assets	<u>1,079,482</u>	<u>120,585</u>	<u>1,200,067</u>